adjustment against releases due to them from the Centre. This is expected to have a positive impact on the cash flows of the CPSUs.

(d) and (e) The first report of the Ahluwalia Committee was submitted in May, 2001. The Report was considered in July, 2001 by the High Level Empowered Group consisting of Deputy Chairman, Planning Commission, Finance Minister, Minister of Power and Chief Ministers of some States. The Empowered Group accepted the recomendations of the Ahluwalia Committee with the following modifications:—

I. Waiver of surcharge/interest and delayed payments to be increased from 50% to 60%.

II. The incentives for a four year period @ 4% of face value of bonds for achievement of performance milestones by SEBs shall b increased to 6% in the first year and 5% in the second year.

These were accepted by the Government.

Subsequently the Government has made a modification in the cut-off date for issue of tax-free bonds in lieu of the outstanding dues from 28.02.2001 (recommended by the Ahluwalia Committee) to 30.09.2001.

Power reforms by States

†5198. SHRIMATI SAVITA SHARDA:
SHRI, P.K. MAHESHWARI:

Will the Minister of POWER be pleased to state:

(a) the States which have so far implemented the directions issued by the Central Government for reforms in power sector along with the States which have not done so far;

(b) the steps being taken by Government to implement power reforms; and

†Original notice of the question was received in Hindi.

(c) the achievements made so far by the States which have implemented power reforms?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The States have accepted the need for power sector reforms. A consensus was reached in the Conference of Chief Ministers/Power Ministers held in March, 2001 on the need to depoliticise power sector reforms and speed up their implementation. It was resolved in the conference to achieve break even in distribution in two years time and achieve positive returns thereafter. It was also resolved that State Electricity Regulatory Commissions (SERCs) would be made functional and tariff petition filed and subsidy may be given only to the extent of State Government's capacity to pay the subsidies explicitly through budget. The Government of India has signed Memoranda of Understanding (MoUs) with twenty-one States. The MoUs are a joint commitment of the centre and the States to undertake reforms in a time-bound manner. The State Governments commitment in these MoUs include setting up of the State Electricity Regulatory Commission, 100% metering of 11 KV feeders and all consumers energy audit, reduction of technical and commercial losses achievement of commercial viability in distribution etc. Government of India has committed its support through additional allocation of power from Central Generating Stations and financial assistance for strengthening of sub-transmission and distribution as well as for renovation and modernization of thermal and hydel power plants.

So far 7 States have unbundled their electricity boards. 21 States, have notified constitution of State Electricity Regulatory Commissions and 12 States Electricity Regulatory Commissions have passed tariff orders which reflect a trend towards tariff rationalization.